

**SENATE BILL REPORT**

**SB 5680**

**AS REPORTED BY COMMITTEE ON WAYS & MEANS, MARCH 19, 1993**

**Brief Description:** Funding the office of minority and women's business enterprises.

**SPONSORS:** Senators Winsley, Prentice, Franklin and von Reichbauer; by request of Office of Minority and Women's Business Enterprises

**SENATE COMMITTEE ON GOVERNMENT OPERATIONS**

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators Haugen, Chairman; Drew, Vice Chairman; von Reichbauer, and Winsley.

**Minority Report:** Do not pass.

Signed by Senator Oke.

**Staff:** Rod McAulay (786-7754)

**Hearing Dates:** February 25, 1993; February 26, 1993

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** That Substitute Senate Bill No. 5680 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rinehart, Chairman; Spanel, Vice Chairman; Bauer, Gaspard, Jesernig, Moyer, Niemi, Quigley, Snyder, Sutherland, Talmadge, Williams, and Wojahn.

**Staff:** Martin Chaw (786-7715)

**Hearing Dates:** March 18, 1993; March 19, 1993

**BACKGROUND:**

The Office of Minority and Women's Business Enterprises (OMWBE) establishes goals for minority and women owned business participation in public works and procurement contracts issued by both local and state government. OMWBE also is responsible for certifying businesses which qualify for purposes of meeting the established goals. Since 1988, OMWBE assumed the additional responsibility of making certifications for local governments. The workload of OMWBE has increased substantially, both as a result of assuming responsibility for local certifications and as a result of a general increase in requests at the state level.

It is believed that both the governments and business enterprises which benefit from the activities of OMWBE should bear a portion of the cost of the operation of the office.

**SUMMARY:**

OMWBE is authorized to adopt rules establishing fees to be charged businesses, local governments and state agencies using the services of the office. These fees are deposited in a designated account with the State Treasurer and may only be used after appropriation and when authorized by the director of OMWBE or the director's designee for the purpose of defraying all or part of the costs of OMWBE in discharging its responsibilities.

Local governments affected by this act are King and Pierce counties, the cities of Seattle, Spokane and Tacoma, the ports of Seattle and Tacoma, and Metro (King County).

**EFFECT OF PROPOSED SUBSTITUTE:**

The Office of Minority and Women's Business Enterprises may establish a fee of up to \$20 per business certification. This fee may be increased on July 1 of each year beginning July 1, 1994 for inflation.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**TESTIMONY FOR (Government Operations):**

The bill will take OMWBE funding out of the general fund budget and place the burden on the beneficiaries. OMWBE will be able to meet current demand without delays in the certification process.

**TESTIMONY AGAINST (Government Operations):**

The bill has an unfair financial burden on state universities.

**TESTIFIED (Government Operations):** Jim Medina, Director, OMWBE (pro); Bill Allison, Council of Presidents (con)

**TESTIMONY FOR (Ways & Means):**

The state has not done enough to accomplish OMWBE goals. Creation of new fund will maintain status quo services.

**TESTIMONY AGAINST (Ways & Means):** None

**TESTIFIED (Ways & Means):** Senator Winsley, prime sponsor (pro); Jim Medina, Director, OMWBE (pro)